

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER:

11 - 08

2. STATE:

Michigan

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH FINANCING ADMINISTRATION
DEPARTMENT OF HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
July 1, 2011

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR 447, 434, 438 and 1902(a)(4), 1902(a)(6) and 1903

7. FEDERAL BUDGET IMPACT:

a. FFY 10 \$ -0-

b. FFY 11 \$ -0-

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

HCFA-PM, OMB No. 0938-1136, Page 67

Attachment 4.19-A, Page 1

Attachment 4.19-B, Introduction

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Attachment 4.19-A, Page 1

Attachment 4.19-B, Introduction

10. SUBJECT OF AMENDMENT:

This amendment brings the State into compliance with 42 CFR 447, Subpart A, and sections 1902(a)(4), 1902(a)(6) and 1903 with respect to non-payment for provider-preventable conditions.

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED:

Stephen Fitton, Director

Medical Services Administration

12. SIGNATURE OF STATE AGENCY OFFICIAL:



13. TYPED NAME:

Stephen Fitton

14. TITLE:

Director, Medical Services Administration

15. DATE SUBMITTED:

September 28, 2011

16. RETURN TO:

Medical Services Administration
Actuarial Division - Federal Liaison
Capitol Commons Center - 7th Floor
400 South Pine
Lansing, Michigan 48933

Attn: Loni Hackney

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

18. DATE APPROVED:

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPE NAME:

22. TITLE:

23. REMARKS:

MICHIGAN MEDICAID STATE PLAN

67

Revision: HCFA-PM

(MB)

OMB No.: 0938-1136

State Territory: Michigan

Citation

42 CFR 447, 434, 4.19(n) Payment Adjustment for Provider Preventable Conditions

438 and

1902(a)(4),

1902(a)(6) and

1903

The Medicaid agency meets the requirements of 42 CFR Part 447, Subpart A, and sections 1902(a)(4), 1902(a)(6), and 1903 with respect to non-payment for provider-preventable conditions.

Health Care-Acquired Conditions

The State identifies the following Health Care-Acquired Conditions for non-payment under Section 4.19-A

- ☒ Hospital-Acquired Conditions as identified by Medicare other than Deep Vein Thrombosis (DVT)/Pulmonary Embolism (PE) following total knee replacement or hip replacement surgery in pediatric and obstetric patients.

Other Provider-Preventable Conditions

The State identifies the following Other Provider-Preventable Conditions for non-payment under Section 4.19-B

- ☒ Wrong surgical or other invasive procedure performed on a patient; surgical or other invasive procedure performed on the wrong body part; surgical or other invasive procedure performed on the wrong patient.

TN No.: 11-08

Approval Date _____

Effective Date: 07/01/11

Supersedes

TN No.: N/A - New

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of MICHIGAN

***Policy and Methods for Establishing Payment Rates
(Other than Inpatient Hospital and Long Term Care Facilities)***

I. Principle

A. Reimbursement Type

The Michigan Medicaid Program in patient reimbursement system is applicable for inpatient hospital services rendered to recipients under the Medicaid and Children's Special Health Care Services programs and to recipients with dual Medicare/Medicaid eligibility.

REIMBURSEMENT FOR INPATIENT SERVICES IS NOT APPLICABLE FOR HOSPITAL-ACQUIRED CONDITIONS (HAC) IDENTIFIED AS NON-PAYABLE BY MEDICARE. THIS APPLIES TO ALL MEDICAID REIMBURSEMENT PROVISIONS CONTAINED IN ATTACHMENT 4.19-A.

Reimbursement to hospitals for inpatient services provided to dual eligible, Medicare/Medicaid recipients will be limited to the Medicare coinsurance and deductible amounts except as noted below. Where Medicare payment has been made, Medicaid will not reimburse hospitals for capital.

Reimbursement to hospitals for inpatient services provided to dual eligible, Medicare/Medicaid recipients, who have exhausted their Medicare Part A coverage, will be made in the same amounts, including capital and direct medical education (through June 30, 1997) as reimbursed for Medicaid-only recipients. Reimbursement for capital and direct medical education (through June 30, 1997) will be made at final settlement.

1. Diagnosis Related Groups

All hospitals participating in the Medical Assistance Program are reimbursed for operating costs based on Diagnosis Related Groups (DRGs). Exceptions are listed below.

2. Prospective Per Diem

The following groups of hospitals or units are reimbursed for operating costs on a prospective per diem basis:

- freestanding rehabilitation hospitals which are excluded from the Medicare prospective payment system (PPS),
- distinct-part rehabilitation units of general hospitals which have been certified by Medicare and excluded from its PPS,
- freestanding psychiatric hospitals which are excluded from the Medicare PPS, and
- distinct-part psychiatric units of general hospitals which have been certified by Medicare and excluded from its PPS.

Services provided to patients in subacute ventilator-dependent units are reimbursed using a prospective per diem rate that includes capital.

3. TEFRA Limited Cost Based

TN NO.: 11-08

Approval Date: _____

Effective Date: 07/01/2011

Supersedes

TN No.: 98-08

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of MICHIGAN

Section 4 – General Program Administration

PROVIDER PAYMENT RATES ARE NOT APPLICABLE FOR OTHER PROVIDER-PREVENTABLE CONDITIONS THAT ARE IDENTIFIED AS NON-PAYABLE BY MEDICARE. THIS APPLIES TO ALL MEDICAID REIMBURSEMENT PROVISIONS CONTAINED IN ATTACHMENT 4.19-B.

Unless otherwise noted, Michigan's Medicaid payment rates are uniform for private and governmental providers. The Michigan Medicaid fee schedule effective for dates of service on or after July 1, 2009 may be found at www.michigan.gov/medicaidproviders.

Payment rates modified July 1, 2009:

Individual Practitioner Services	Attachment 4.19-B, pages 1 thru 1.b.1
Physicians	
Ophthalmologists	
Oral Surgeons	
Podiatrists	
Physician's Assistants	
Nurse Practitioners	
Certified Nurse Midwives	
Physician Services /Anesthesia	Attachment 4.19-B, pages 1 thru 1.b.1
Family Planning Clinics	Attachment 4.19-B, pages 1 thru 1.b.1
Hearing and Speech Centers	Attachment 4.19-B, pages 1 thru 1.b.1
Optometrists	Attachment 4.19-B, pages 1 thru 1.b.1
Pharmacy	Attachment 4.19-B, page 1c
Home Health Providers	Attachment 4.19-B, page 2c
Medical Suppliers	Attachment 4.19-B, page 2c.2
Oxygen	Attachment 4.19-B, page 2c.2
Prosthetic Devices	
Hearing Aids	Attachment 4.19-B, page 3
Cochlear Implant	Attachment 4.19-B, page 3
Shoe Store	Attachment 4.19-B, page 3
Eyeglasses/Optical house services/opticians	Attachment 4.19-B, page 3.1
Maternal Support Services	Attachment 4.19-B, page 5
Certified Registered Nurse Anesthetists/Anesthesia	Attachment 4.19-B, page 5a
Ambulance	Attachment 4.19-B, page 6e
Clinical Laboratory	Attachment 4.19-B, page 13